



BGR presentation to the Fix My Streets Financing Working Group

June 26, 2017

CONDITION OF NEW ORLEANS STREETS

By Percentage of Total Mileage



Source: *City of New Orleans Pavement Management Analysis Draft Report*, Stantec Consulting Services, August 2016.

Preventive Maintenance

- Funding needed: \$30 million to \$35 million a year
- Dedicated funding available: \$8.5 million a year
- **Shortfall: \$21.5 million to \$26.5 million a year**



Funding Options

- **Redirect Existing Revenue Streams**
- **Rededicate Existing Taxes**
- **Impose New Taxes or Revenues**

CITY OF NEW ORLEANS 2017 REVENUE SOURCES LINKED TO STREETS

Revenue Source	Projected Revenues
Traffic camera tickets	\$24,000,000
Parking tickets	\$15,000,000
Motor vehicle sales tax	\$13,647,500
Parking meters	\$8,958,000
Traffic tickets	\$6,606,000
Parking tax	\$4,800,000
Vehicle towing/booting charges	\$3,584,000
Motor vehicle permits (brake tags)	\$1,890,000
Misc. street and curb fees	\$508,900
Impounded vehicles	\$125,000
Subtotal	\$79,119,400
Less collection/enforcement costs	\$26,593,600
Net revenue	\$52,525,800

Average annual growth since 2009:

- Net street-related revenues: 6.7%
- City's General Fund: 4.1%
- Inflation rate: 1.5%

It is time to identify tax dedications that are ripe for rededication to basic municipal needs.

- Just 3% of local taxes go to streets
- Tax dedications not reassessed as community's needs change
- Some tax-recipient entities have large surpluses



Property Taxes

- **Currently provide virtually all local funding for streets**
- **Limited connection to street use**
- **Base of payers limited by exemptions**

Sales/Hotel Taxes

- Could generate substantial revenue
- Indirect connection to street use
- Significant implementation hurdles

Transportation Utility Fee (TUF)

- Monthly fee based on how many vehicle trips a property generates
- Strong connection to street usage
- Can apply to tax-exempt properties

TRANSPORTATION UTILITY FEES IN AUSTIN, TEXAS

Property Use	Acres	Monthly Fee
Single-family home	N/A	\$111.52
Church	1.2	\$34.58
Dry cleaner	0.2	\$56.47
Self-storage facility	3	\$169.41
Gas station	0.9	\$254.12
Office building	1.2	\$304.94
Chain restaurant	1.4	\$381.17
Cinema	2.7	\$762.35
Commercial warehouse	31.3	\$1,764.69

Local Fuel Tax

- Excellent connection to street use
- Broad base of payers
- Primary source of funding for state and federal roads
- Difficult to implement

State Fuel Tax

20 cents per
gallon = \$600
million a year

\$46 million
dedication
to local road
and transit
projects

Key recommendations

- Identify recurring revenues to responsibly fund preventive maintenance
- Direct a portion of street-related revenues to streets
- Reassess existing local tax dedications
- Consider implementing a Transportation Utility Fee
- Any state gas tax increase should include a local share



Thank you.